

Dickinson

Gift Acceptance Policy

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GIFT ACCEPTANCE AND PURPOSE STATEMENT

I. INTRODUCTION

The purpose of this Gift Acceptance Policy is to provide guidance and counsel to those individuals within the Dickinson College community involved with the planning, promotion, solicitation, receipting, acceptance, application and disposition of gifts. All gifts are to be accepted in accordance with the policies set forth herein. The college views these guidelines as flexible and amenable to change in order to accommodate unique fundraising situations and necessary donor expectations. Any proposed gifts where acceptance would require an exception to these gift acceptance policies and guidelines must be reviewed and approved before acceptance by the Gift Acceptance Committee (GAC).

The GAC is formed primarily and consistently by the vice president for college advancement and vice president for finance and administration with additional membership as needed represented by the staff member involved most closely with the gift itself, donor and/or personal representation of the donor. The GAC responsibilities are below:

1. The GAC is responsible for evaluating and approving all potential gifts. These include gifts:
 - a) that are funded with outright assets other than cash or marketable securities
 - b) that may not provide sufficient financial benefit to the college
 - c) that may place the college's reputation at risk
 - d) or that require the approval of either the president and/or the Board of Trustees prior to acceptance.
2. The GAC or its designees will periodically review this Gift Acceptance Policy and recommend changes to the president and Board of Trustees for approval.

All fundraising programs, gift acceptance policies and their day-to-day implementation are designed and managed by the vice president for college advancement in conjunction with the appropriate directors or senior administrators and are subject to approval by the president of the college and the Advancement Committee of the college's Board of Trustees (hereinafter "Advancement Committee").

- a) All gifts offered to the college will be seriously considered by the college.
- b) All gifts accepted by the college will conform to all applicable tax laws and regulations, especially those affecting nonprofit organizations and charitable giving.
- c) All gifts accepted by the college will be recorded and acknowledged through the Office of College Advancement.
- d) All grants awarded to the college will be recorded in the Office of College Advancement, though administration and reporting regarding specific program grants may be handled by the recipient department, in cooperation with the director of academic and foundation relations and the Office of Financial Operations.

Flexibility will be maintained regarding gift acceptance, since some gift situations may be complex, and proper decisions can be made only after careful consideration of all related factors. These policies may, therefore, require that the merits of a particular gift be considered by the appropriate officers and/or involved persons of the college, along with legal counsel and trustees when necessary.

The college has set its fundraising management policies and procedures, giving due consideration to the recommendations of the Council for the Advancement and Support of Education (CASE), the National Association of College and University Business Officers (NACUBO) and the Partnership for Philanthropic Planning (PPP).

II. POLICY GUIDELINES

The Office of College Advancement, under the direction of the president and vice president for college advancement and with the consent and guidance of the Board of Trustees, is charged with the responsibility for all gifts on behalf of the college.

- A) During a campaign, funds will be sought for board approved priorities, which include general support, endowment and capital purposes.
- B) The dean and provost, in coordination with the president, Board of Trustees and other senior officers, determine the needs and funding priorities of the college. Funding needs should be presented to the appropriate senior administrator for review by the senior officers of the college where a determination will be made of the need in question. If it appears that the need should be acted upon, senior staff will present the need to the Office of College Advancement as a priority, taking into consideration the best possible sources of funding and according to a schedule and sequence determined by the Office of College Advancement.
- C) To avoid an inappropriate number of appeals, solicitations may be initiated by a department of the college only with the written approval of the vice president for college advancement.
- D) Faculty members or administrators wishing to secure external funding for research activities or special programs are to follow the guidelines in the faculty handbook. This document is available a) from the Office of the Provost & Dean of the College, b) online through college webpages, or c) the Special Projects Office. The director of academic and foundation relations will obtain clearance from the vice president for college advancement for proposals whenever necessary.
- E) All grant proposals for special projects or specific purposes will be supported by a complete budget indicating all expenses liable to be incurred (including any necessary matching funds and/or future obligations imposed on the college). The budget must have been approved by the vice president for college advancement and/or the vice president for finance and administration.
- F) Electronic records and mailing lists regarding all donors and donor prospects are maintained and controlled by the Office of College Advancement. Information collected on individuals is of a highly sensitive nature and will be treated with the utmost confidence. Written reports of cultivation and solicitation contacts will be included in the donor prospect file within our computer database.

- G) Information about donors and donor prospects, which becomes available to members of the college community, should be shared with the Office of College Advancement. It will be carefully considered in determining appropriate steps and strategies for cultivation and solicitation. Clearance must be obtained from the vice president for college advancement prior to any solicitation, formal or informal, by members of the college community. Information on donors and/or donor prospects will not be shared or used in any way that does not conform to the fundraising policies and procedures of the college.
- H) Mailing lists will be used in accordance with fundraising policies and procedures of the college, as determined by the vice president for college advancement or his/her designee. As a general policy, mailing lists will not be available to outside organizations or individuals.

III. CATEGORIES OF GIVING COMMITMENTS

The overall fundraising program at the college consists of the following categories:

- A) **Current use gift support** includes both unrestricted and restricted giving. A current use gift is restricted by spending purpose, not time, and is generally used in the following fiscal year.
1. **Unrestricted:** The most versatile of gifts, as they allow flexibility and provide support for ongoing current expenses of the college.
 2. **Restricted:** Dickinson staff will work with donors and/or their representatives to document donors' expectations regarding the use of restricted gifts in accordance with college priorities.

Examples of restricted purposes include, but are not limited to:

- a) **The Trout Gallery**
- b) **The McAndrews Fund for Athletics**
 - i. To ensure that the college reflects the guidelines required in title IX, all athletic gifts, other than capital projects assessed as a need of the college, are to be designated for the McAndrews Fund.
- c) **The Clarke Forum for Contemporary Issues**
- d) **The Waidner-Spahr Library**

Restricted gifts of \$5,000 or more may also be made to specific academic departments. Gifts will be reviewed by the provost for acceptability. Generally, gifts less than \$5,000 may not be directed to support a specific academic area and will be directed to a budget relieving fund to support academic programming initiatives of the college.

Facilities Additions and Improvements

The college welcomes gifts to enhance its facilities. Such funds are used to support specific building and renovation projects. As such, they are fully expended over the course of a project. Donors may make gifts for such purposes in their own names or in memory or honor of another person selected by the donor. Generally, naming recognition for a facility requires a gift equal to at least 50 percent of the cost of the facility or project. Naming opportunities for individual spaces in buildings are established when the scope of the project is determined. Specific dollar amounts to name individual spaces are determined in relation to

the square footage of the individual spaces and the project as a whole and will vary from project to project.

- B) **Endowed funds** are intended to be held in perpetuity, with the principal invested for long-term growth. The use of the income from endowed funds may be either unrestricted or restricted to a specific purpose. Income is determined by a spending policy set by the Board of Trustees and reviewed annually.

For legal and accounting purposes, an endowed fund can be permanently restricted, temporarily restricted or unrestricted. The principal of a permanently restricted endowed fund can never be spent and cannot be used by the college to improve bond ratios and reduce financing costs. The principal of a temporarily restricted fund can be accessed when the fund is used for its specified purpose; a temporarily restricted fund generally is a current use fund to be used for a specific purpose and is not an endowed fund. The principal of an unrestricted endowed fund can be used to secure borrowing and tax-exempt bond indebtedness, thus improving the college bond ratios and reducing financing costs. It is the strong preference of the college that all funds intended to be held in perpetuity be considered unrestricted net assets for legal and accounting purposes. This is accomplished by putting appropriate wording in the fund agreements that allows the Board of Trustees to treat each fund as an unrestricted net asset of the college and merged with the college's other unrestricted net assets, although the college still intends that all endowed funds will be held intact in perpetuity.

Use of the fund income must meet the use restrictions set forth in the fund description. For that reason, fund descriptions must be written with care, preferably including as few restrictions as possible. When writing fund descriptions, it is important to consider whether the fund will still be useful 100 years from now. All new or updated fund agreements must include the Dickinson College contingency clause, which provides the Board of Trustees the power to adjust fund agreements should they become impractical to administer in the future.

Many endowed funds underwrite departmental budgets, in which case they are not available to fund new expenses. For example, a new departmental budget fund may neither bring an additional student to Dickinson nor increase the college's budget. The college may increase the departmental budget by some amount, in recognition of the new endowed fund, especially if the fund is particularly large.

1. **Investment and Spending:** Investments in the pooled endowment fund are managed by professional firms selected by the Board of Trustees Committee on Investments. Managers are chosen in anticipation of a stable, long-term relationship. The vice president for finance and administration, staff and the college's investment advisor carefully monitor investment manager performance and review other factors that may affect performance. These funds are invested and spent in accordance with the college's investment and spending policy guidelines (See "Board of Trustees Committee on Investments: Statement of Investment Objectives and Policies" and "Description of Investment Process," and "Dickinson College Endowment Income Distribution Policy.") Additionally, the Committee on Investments reviews its asset allocation strategy on an annual basis or more frequently, if market conditions change.

The spendable income stream is determined by the Board of Trustees on an annual basis. No spending from the fund will occur until the funding level agreed upon in the written endowment agreement is paid in full. At that time an award will be

made based upon the 12 quarter moving average market value of the fund. Any earnings prior to that time will be returned to the specified endowed fund to promote growth in principal. If payment is being made over a period of years, the donor may wish to make an annual contribution in addition to his or her fund payment to support the payout of the fund until such time as the fund is fully paid and providing a useable income stream.

Amount Required to Establish a Named Fund: Generally the minimum amount required to establish a named general fund is \$50,000 (e.g., the “John Q. Sample Scholarship Fund” for a student(s) with demonstrated financial need). Specific named fund opportunities, where a donor may direct funding to a particular department, discipline or identify specific criteria, begin at \$100,000 (e.g., the “John Q. Sample Scholarship Fund” for a student(s) with demonstrated financial need with a preference for a student studying English). Generally, named funds may be contributed over a period of not more than five years; exceptions may be made for gifts of an unusual nature. Smaller gifts may, however, be contributed to already existing funds. In cases where it becomes evident that full funding will not occur within the time frame specified in a fund agreement (generally five years), the college’s trustees may choose to apply the corpus and any earnings toward another related objective.

Named funds will be approved by the vice president for college advancement in conjunction with the appropriate senior officers and/or directors.

2. **Written Gift/Pledge Agreement:** A written gift or pledge agreement is required for each fund and will be signed by the donor(s) contributing all or a major portion of the monies used to establish a particular fund. This document will be used to define, govern and direct the use of each fund.

The preparation of the gift or pledge agreement is the responsibility of the Office of College Advancement. Approved generic gift/pledge agreement templates are available to ensure consistency. When the gift/pledge agreement is executed, copies are to be signed and dated by the donor and the appropriate college representatives.

A gift agreement is also recommended when a gift is made through a charitable remainder trust or gift annuity or committed through a pledge, a planned pledge agreement or contract to make a will or bequest.

In the absence of a gift agreement where an endowment is to be established, a memorandum of understanding, a will, deed or other documentation of the donor’s objectives may be placed in the donor’s file to establish a record of the purpose for which the funds are to be used.

Unless otherwise established in the gift/pledge agreement, the Board of Trustees shall have authority to make changes in a gift agreement, which may be necessary should the need no longer exist or to ensure fulfillment of the objectives of a particular fund.

3. **Announcing and Awarding of Named Funds:** Announcement of major funds will be made only when a signed agreement is in place.

As a general rule, an award will not be made until the endowment is fully funded, unless otherwise stipulated in the gift/pledge agreement. For example, in the case of an endowed chair, the appointment of a faculty member to the chair will take place only after the endowment is fully funded and generating the earnings needed to offset the associated expenses. The Board of Trustees may make exceptions to this general rule, particularly in cases where partial funding is in place and the balance is irrevocably committed (e.g., through a Deferred Pledge Agreement or Contract to Make a Will).

Scholarships will be awarded in accordance with college policy and administered by the Office of Financial Operations and the Office Financial Aid, which are responsible for ensuring compliance with federal and state regulations concerning aid disbursements.

- C) **Unrestricted bequests** are a significant source of funding for the college. Undesignated bequests less than \$50,000 will be used for current use support; those of \$50,000 or more will be placed into general endowment or as otherwise directed after review by the GAC.

IV. **RECOGNITION**

Individuals, businesses, foundations and other organizations will be given credit and acknowledged for their specific philanthropy at all levels. Individuals will be recognized for their cumulative fiscal year giving for all contributions and commitments made to the college.

Mermaid Society:

Recognizes individuals with consistent giving to the college for three years or more.

Old West Society:

Recognizes individuals who have documented bequest intentions or beneficiary designations or who have completed life-income gifts with the college as beneficiary.

Founders' Society:

Recognizes individuals who have made irrevocable commitments of \$1 million or more to the college.

Gift Credit for Married Couples:

Credit for married couples may be split according to established rules for shared credit. Spouses are recognized at the same gift level based on the higher giving of the two individuals.

Matching Gifts, Donor Advised Funds, Family Foundations and Other Contributing Organizations:

Official gift credit and receipting must be given directly to the contributing organization, foundation, business or similar entity. In cases where alumni, parents and friends are associated with making the gift possible, recognition credit will be given to those individuals. This credit will count toward the individual's recognition level.

In the case of matching gifts, each individual donor is responsible for initiating the matching gift with his or her employer. Generally speaking, donors may not use funds from matching gifts or other contributing organizations to fulfill an individual pledge obligation.

Plaque Policy: Dickinson's rich history and beautiful campus setting evoke understandable nostalgia among alumni, parents and friends who have spent time on campus. It is natural, then, that the college would want to wisely manage its limited physical naming opportunities. To ensure consistency over time and to provide guidance to those seeking arrangements of this kind, the college provides a policy to make certain this privilege will be available for generations to come. See "Dickinson College Plaque Policy."

V. **PROCESSING AND REPORTING GIFTS**

All gifts and pledges received by the college must be reported immediately through the Office of College Advancement. The Office of College Advancement will maintain records and provide appropriate receipts and documentation for donors to avail themselves of all tax benefits to which they are entitled. The Office of College Advancement, in conjunction with college partners, is also responsible for the good stewardship of assets donated to its purposes by donors.

A) **Acknowledgement**

All gifts will be acknowledged within a reasonable period of time (ideally 48 hours after received by the Office of College Advancement). Acknowledgements shall specify the date of the gift, designation, and where appropriate, the gift amount. Acknowledgements are generated as noted in the "Acknowledgement Procedures" document.

Any department of the college sponsoring an event as a fundraiser will adhere to Internal Revenue Service (IRS) requirements that the tax-deductible portion of payments for events (quid pro quo) will be reported. A quid pro quo contribution is a payment made to a charity by a donor partly as a contribution and partly for goods and services provided to the donor by the charity.

B) **Reporting**

Gifts to the college shall be reported in a manner consistent with the standards recommended by the Council for Advancement and Support of Education (CASE) *Management and Reporting Standards* and the National Association of College and University Business Officers (NACUBO).

The college communicates its appreciation and gratitude to its many categories of contributors through a variety of reports. The following guidelines shall be followed for all external reports:

1. **Endowed fund reporting** – The Office of College Advancement will provide the establishers of named funds with a report of investment and gift activity on an annual basis. Donors of named scholarships will receive appropriate information about the recipients of their scholarship as allowed by federal privacy regulations (e.g. FERPA).

2. **Memorial and honorary gifts** – Gifts given in memory or in honor of an individual will be recorded and reported as such. A listing of all donors who contributed to a fund will be made available to the individual honored or a designated contact.
3. **Anonymous gifts** – Upon the specific request of the donor, gifts will remain anonymous, and no information directly linking the donor to the gift will be mentioned in any source unless expressly requested by the donor or required by law.

All stewardship reporting will adhere to the college's fiscal year as a basis for reporting, unless otherwise noted.

C) **Methods of Giving**

1. **Cash**

Gifts in the form of cash, checks, credit cards, wire transfers and ACH transactions greater than \$1.00 shall be accepted and recorded at face value.

Gifts in non-U.S. currency will be recorded in U.S. dollars for the value of the gift based on current exchange rates as of the date of deposit. Any exchange fees incurred by the college will be deducted from the gift credit applied to the donor.

Checks shall be made payable to "Dickinson College." Checks made payable to an employee, agent or volunteer for the credit of the college will not be accepted as a gift to the college.

The college accepts Visa, MasterCard, Discover and American Express. Donors wishing to make a gift by credit card may do so via the online giving form on the college's website or through the Office of College Advancement via phone, mail or in person. Credit card information received via email will not be accepted. Donors are encouraged to enter credit card information directly through the college's secure website as part of our compliance requirements under the Payment Card Industry Data Security Standard (PCI DSS). Any credit card information received through the mail or otherwise written down (e.g. system outage) will be kept in a secure location and destroyed as soon as possible after entry into the college's online giving form. The date of gift is the date the credit card transaction has been processed. Processing fees associated with gifts made by credit card are paid by the college and do not impact the value of the gift.

Employees are eligible to make charitable contributions to the college via payroll deduction. Employees may begin, edit or end deduction selections through Banner Self Service or by contacting the Office of Engagement and the Dickinson Fund for assistance.

2. **Securities**

a) **Marketable Securities**

Securities that are traded on any recognized stock market and are readily marketable shall be accepted by the college and will be sold as soon as possible. The value of a gift of such securities will be determined in accordance with IRS guidelines (i.e. the mean—average—of the high and low selling price quotes for the security on the day the transfer is *received* by the college, either through electronic transfer, postmark or physical exchange). The date, value and the method of valuation of the gift will be communicated to the donor by the

Office of College Advancement. The Office of Financial Operations is responsible for the sale of all securities. Less active or rarely traded securities, or securities that do not trade on the gift date, are subject to further scrutiny as to the timing of liquidation and gift valuation.

No employee or volunteer working on behalf of the college may commit to a donor that a particular security will be held by the college, sold through a specific broker or traded on instruction of the donor.

Certificates must be unsigned and sent to the college separately from a stock power form with medallion signature stamp, as required by the Patriot Act. In addition, the college requires completion of the Deposit of Certificate Registered in Name Other Than That of Dickinson College form. The college adheres to the following guidelines from the Council for Advancement and Support of Education (CASE):

- i. Stock certificates that are mailed to the college are considered to be a legal gift as of the date of postmark for the certificate or signature guaranteed stock power, whichever is later.
- ii. Stock certificates that are sent to the college via a third-party provider, such as UPS or Federal Express, are considered to be a legal gift as of the date of received by the college.
- iii. Stock certificates registered in the name of the college are considered to be a legal gift as of the date of registration in the college's name.

Donors interested in making an electronic stock gift may contact the Office of College Advancement for delivery instructions. Stock shares transferred electronically are considered a legal gift as of the date the stock is legally credited to the college's account, unless proper documentation is provided to substantiate the date that the donor relinquishes control of the asset. The college will absorb transaction fees associated with the sale of stock.

b) Closely Held Securities

The GAC must approve the acceptance and subsequent sale of any closely held or non-publicly traded securities. It is incumbent upon the donor to make evident any restrictions or limitations on the sale of securities and to work with the college to complete the disposition. Valuation of securities in this category is the responsibility of the donor, including the cost of any appraisals as necessary and in accordance with IRS regulations. In the absence of a recent sale, a fair market value should be determined by a CPA who maintains the books for said company.

3. Gifts-In-Kind

Gifts-in-kind with a value less than \$5,000 shall be recorded on the college's financial records at fair market value if independent verification of the value of such gift is provided.

Independent verification may include a written qualified independent appraisal of the donated property in accordance with IRS regulations or a vendor's invoice indicating the item's cost to the donor in order to substantiate the fair market value of the goods donated or the donor's original purchase price. A letter of conveyance describing the property will be issued by the college for gifts under \$5,000 that have not been adequately substantiated.

Gifts-in-kind with a value exceeding \$5,000 shall be recorded on the college's financial records at the appraised value. The college shall request the donor provide a copy of the qualified written appraisal of the donated property in accordance with IRS regulations in order to substantiate the fair market value of the goods donated.

In either case, the valuation of the property (including appraisal fees) being donated is the responsibility of the donor. A qualified appraisal is defined as an appraisal that is made no earlier than 60 days before the date of contribution; is prepared, signed and dated by a qualified appraiser; does not involve a prohibited type of appraisal fee; and includes the required information in accordance with applicable laws and regulations.

The college will sign IRS Form 8283 when requested by donors for gifts-in-kind over \$5,000. Should the college dispose of in-kind property included on IRS Form 8283 within three years, the college is obligated to submit IRS Form 8282 reporting the amount received on the sale or other disposition of donated property.

The following are examples of gifts-in-kind typically received by the college, along with additional policies and procedures based on the type of gift:

a) Tangible Personal Property

Gifts of tangible personal property (described as physical assets exclusive of real property and financial instruments) can be accepted if they further the mission of the college or can be readily sold to further the mission of the college. Unless an exception is approved by the GAC, the college retains the ultimate right to sell or deaccession all donated personal property. Gifts of tangible personal property are deemed completed when they arrive at the college.

Donations meeting IRS standards of "related use" are valued at fair market value for tax purposes. If the donated property's use is unrelated to the college's tax-exempt purpose, the donor's charitable deduction is generally limited to the property's cost basis or fair market value, whichever is less. The "related use" test does not apply in the case of tangible personal property given by will. All such property given by will is fully deductible for estate tax purposes.

Tangible personal property will only be accepted upon approval of the GAC. In addition, collections items (books, art, etc.) are subject to further approval and policies established by college departments responsible for maintaining those collections. No personal property shall be accepted requiring ownership for a specified time period without express written approval of the GAC.

b) Other Property

Other property of any description, including but not limited to mortgages, notes, copyrights, royalties, easements, intellectual property, and mineral rights, whether real or personal, may be accepted only upon approval of the GAC.

c) Gifts of Service

Gifts of service, while often considered helpful to the mission of the college, are not considered charitable gifts by the IRS and cannot be recorded or receipted by the college.

d) Out-Of-Pocket Expense

If an individual hosts a function on behalf of the college or in some other way expends funds

for the college's benefit, the individual may submit a request for a gift credit for tax purposes. Approval of gift credit is subject to the college's discretion and is only made for expenditures incurred in accordance with the college's accountable plan guidelines. Gift credit cannot be used to fulfill an existing pledge commitment, and sales tax will not be included in the gift value.

Donors are encouraged to submit invoices relating to a college event for direct payment and donate an equal amount to the college in a separate transaction for gift credit. The gift will be restricted to reimbursement of the activity in question. As an alternative, receipts or other legitimate forms of paid valuation of the expenditure(s) incurred by the donor may be presented to the college for the acknowledgement of an in-kind gift.

4. Real Property (Real Estate)

Donors considering real estate gifts should understand the complex nature of such gifts. As such, the college must pay special attention to environmental liability risks, marketability risks and the possible costs of holding real estate pending sale. No gift of real estate shall be accepted without prior approval by the GAC. No gift of real estate should ever be accepted with the understanding that it will be held for a specified time period or is subject to the rights of reversion or other conditions, without the express written approval of the GAC.

The following items must be obtained before the college will accept a gift of real estate (all costs associated with the items are the responsibility of the donor unless specifically waived by the GAC):

- a) a current appraisal by a qualified appraiser as required by the IRS (there may be circumstances, however, in which the college will choose to commission its own independent appraisal in addition to any appraisals provided by the donor)
- b) a title search and title policy
- c) a market assessment
- d) an on-site evaluation and inspection by the college or its authorized agent
- e) an appropriate environmental-impact study of the property to ascertain if it is subject to environmental restrictions, sanctions or toxic wastes or is otherwise encumbered so as to cause possible economic liabilities for the college
- f) and a conveyance by warranty deed or trustees deed (preferred to quit claim deed).

In general, the net value of the gift should be at least \$100,000, taking into account all expenses, for the college to consider a gift of real estate. Special attention shall be given to the receipt of real estate encumbered by a mortgage. The college is not generally interested in bargain sale purchases but will consider them upon the approval of the GAC and if the balance due is 25 percent or less of the market value of the property, as determined by an independent appraisal commissioned by the college.

Under rare circumstances, the college may accept gifts of real estate that provide the donor with retained use of the property (life estate gifts). The donor typically must agree to continue to pay or otherwise make provision for the payment during the terms of the gift of all costs and liabilities of owning and maintaining the property, including property taxes, insurance,

assessments, repairs and maintenance. The same provisions as gifts of outright real estate shall apply.

A gift of real estate is effective at the time a properly executed deed to the property is delivered by the donor to the college, or the date the deed is recorded by the Office of the Recorder of Deeds (or similar office) in the jurisdiction where the property is located, whichever is first.

5. Matching Gifts

The college accepts gifts from companies which sponsor matching gift programs for their current or retired employees. Any matching gift received is used for the same purpose as the original gift unless limitations are imposed by the issuing company/foundation that prohibit an identical use. Matching gifts shall not be used toward fulfillment of a personal pledge.

6. Declining Gifts

The college reserves the right to decline a proposed gift for reasons including, but not limited to, the following:

- a) the gift or transaction involves an illegality
- b) the gift or transaction in some manner conflicts with college policies or with the college's mission
- c) the benefit of the gift is outweighed by the potential for negative publicity for the college that would result from the transaction
- d) the gift or transaction inhibits the college from seeking donations from other donors
- e) the college does not have adequate resources to support the ongoing requirements associated with a restricted gift
- f) or the donor, or other prohibited party, wishes to exert control over how the donated funds are used beyond the gift agreement.

7. Donor Advised Funds

Official gift credit and receipt will be given directly to the contributing organization. Alumni, parents and friends who initiate gifts through donor advised funds will receive recognition credit for the gifts. Donors may not use donor advised funds to fulfill a personal pledge obligation.

VI. PLANNED GIFTS

Planned or deferred gifts may involve the transfer of substantial assets that significantly impact the donor's estate and final plans. These gifts often do not confer institutional ownership immediately and generally are not taken out of current earnings. The acceptable methods of creating planned gifts are described below.

A) Bequest Guidelines

All realized bequests will be recorded at face value.

1. Donors are encouraged to recognize that during the many years following the establishment of a planned gift, the needs, policies and circumstances of the college can change in unforeseen ways. The college's Board of Trustees, in consultation with college administration, must have the flexibility to fulfill its obligation to make use of the funds in the best interest of the institution and in accordance with donor intent. Donors are encouraged to avoid detailed limitations and restrictions on their gifts, which may limit their usefulness in unforeseen circumstances. Donors considering bequests for specific purposes are encouraged to consult the vice president for college advancement and/or a member of the college advancement staff.
2. Confirmed provisions in wills, revocable trusts or other revocable instruments (*including, but not limited to, individual retirement accounts, qualified plan and life insurance beneficiary designations*) and revocable beneficiary designations of Dickinson in otherwise irrevocable charitable remainder trusts shall be recorded as a revocable commitment at their face value for donors 70 and older. Provisions for donors under age 70 may be recorded upon the recommendations of the vice president for college advancement. Such revocable commitments are not included in pledge receivables but can be listed as revocable gifts by the Office of College Advancement.
3. Such expectancies must be in the form of a specified amount, or a percentage of the donor's estate or relevant asset pool, as appropriate, based on the value of such estate or asset pool at the time the commitment is made.
4. For verification purposes, at a minimum, there must be written acknowledgment of the commitment by the donor or the donor's attorney with a copy of the relevant legal provisions and a copy of the valuation of said commitment.
5. Generally, Dickinson College will not serve as executor of the estate of a donor. Exceptions are granted by the vice president for college advancement and vice president for finance and administration. Appropriate dual controls must be in place and shall be overseen by the vice president for finance and administration under such circumstances.

B) Life Income Gifts to Dickinson

1. Unitrusts, annuity trusts, and charitable gift annuities, where Dickinson is the irrevocable remainder beneficiary, will be recorded at face value on the date of the gift. The discounted value of the gift is also recorded for financial reporting.
2. Charitable remainder gifts, held in trust by others, and testamentary charitable remainder trusts will be recorded at face value when Dickinson is informed, the gift is sufficiently documented, and a value established.
3. The remainder amount of a life income gift will be added to unrestricted quasi-endowment unless otherwise designated by the donor. However, and especially during a campaign, undesignated life income gifts may be designated for college priorities at the recommendation of the vice president for finance and administration in consultation with the president.
4. Investment and administrative fees are assessed against the principal of any trust at the discretion of the college.

C) Serving as Trustee

1. Dickinson College will agree to serve as trustee of a planned gift if the terms and conditions outlined in these policies are met. The decision to accept the trusteeship or successor trusteeship of a planned gift shall be subject to the approval of the vice president for college advancement and vice president for finance and administration, according to the terms and conditions outlined in this document.
2. The college will not serve as co-trustee of a trust with a donor.

D) Planned/Deferred Gift Types

1. Charitable Lead Trusts (CLT)

- a) Will be recorded at the value of the income distributed to the college during the life of the trust.

2. Charitable Gift Annuity (CGA)

- a) Will be recorded at the face value of the gift. The discounted value of the gift also is recorded for financial reporting.
- b) Generally, the minimum contract is \$10,000. Gifts may be made with cash or marketable securities.
- c) Dickinson College follows the rates set by the American Council on Gift Annuities.
- d) Income may not be provided to a donor or beneficiary before attaining age 60.
- e) Deferred-payment CGAs will not be issued to donors under age 50.
- f) Maximum number of annuitants is two per annuity contract.
- g) No CGA shall be issued unless the charitable portion of the gift, computed using government tables, exceeds 10 percent of the amount transferred for the annuity. No exception shall be made to this requirement; otherwise, the college shall be taxed on a large portion of the earnings.
- h) The college will contract with a corporate fiduciary for administration of the CGA program and the investment of pooled CGA assets.

3. Charitable Remainder Unitrusts (CRUT)

- a) Will be recorded at the face value of the gift. The discounted value of the gift also is recorded for financial reporting.
- b) Minimum gift: \$100,000. The annual payout rate shall be not less than 5 percent and not more than 6 percent.
- c) Additions to established unitrusts are permitted.
- d) Youngest beneficiary must be 50 years of age or older. Generally, CRUTs shall have no more than four total income beneficiaries.
- e) Term unitrusts may be established regardless of age of beneficiary.

- f) CRUTs shall have an expected net present value equal to at least 50 percent of the initial funding amount of the trust.

4. Charitable Remainder Annuity Trusts (CRAT)

- a) Will be recorded at the face value of the gift. The discounted value of the gift also is recorded for financial reporting.
- b) Minimum gift: \$100,000.
- c) The annual payout rate shall be not less than 5 percent and not more than 6 percent.
- d) No more than two lives.
- e) Additions to established annuity trusts are *not* permitted.
- f) Younger beneficiary must be 50 years of age or older. Generally, CRATs shall have no more than four total income beneficiaries.
- g) CRATs shall have an expected net present value equal to at least 50 percent of the initial funding amount of the trust.

5. Pooled Income Fund (PIF)

- a) Will be recorded at the face value of the gift. The discounted value of the gift also is recorded for financial reporting.
- b) Minimum gift: \$10,000. Gifts may be made with cash or marketable securities.
- c) Additions to PIF accounts may be made in increments of \$5,000.

6. Life Insurance

- a) Dickinson College will accept fully paid life insurance policies in which the donor has named the college as sole beneficiary and transferred ownership of the policy to the college. Upon receiving a paid-up policy, the college, as owner, reserves the right to surrender it and obtain the cash value or keep the policy until the death of the donor. The charitable deduction to the donor is the fair market value of a similar paid-up insurance policy. The decision to surrender or keep the policy will be made by the GAC. The college will not accept any other form of life insurance as an outright gift. (Please note: the college has no objection to being named as a full or partial beneficiary of an unmatured policy owned by the donor, a trust or any other individual.)

7. Retained Life Estate

- a) Property contributed must be the donor's primary residence, a vacation home or a farm including a residence if qualification for exemption from federal transfer taxes is desired.
- b) Must be approved by the GAC.
- c) Donor must agree to continue to pay or otherwise make provision for the payment during the terms of the gift all costs and liabilities of owning and maintaining the property, including property taxes, insurance, assessments, repairs and maintenance.

VII. ETHICAL ISSUES

The board wishes to assure itself that all philanthropic promotions and solicitations are ethical.

- A) **Conflict of Interest:** College personnel are required to be circumspect in all dealings with donors in order to avoid even the appearance of any act of self-dealing. Therefore, all college trustees and employees are expected to report any interest that might be construed as improper.
- B) **Consistent With the Public Policy:** The college accepts only those gifts and grants that are consistent with the public policy of the Commonwealth of Pennsylvania and of the United States of America.
- C) **Conformity to Federal and State Laws:** Fundraising events and affairs must comply with local, state and federal laws.
- D) **Review of Legal Arrangement:** Legal counsel retained by the college shall, as required, review legal documents, contracts and all donor agreements.
- E) **Donor Legal Representation:** Independent legal representation will limit the possibility that the gift will be attacked under a claim of undue influence. Therefore, prospective donors will be urged to contact personal tax, financial and legal counselors of their own choosing.
- F) **College Prepared Legal Documents and Advice:** In situations where advisors or consultants retained by the college prepare documents or render advice in any form to the college or a donor to the college, the college will inform the donor that these documents and advice should be reviewed by the donor's own counsel prior to completion of the gift.
- G) **Finder's Fees or Commissions:** No commission or finder's fee of any type will be paid to any party in connection with the completion of a gift to the college.
- H) **Unacceptable Gifts:** The college reserves the right to refuse any gift that is not consistent with its mission. Gifts will not be accepted by the college that:
 - 1. create a fund to provide for scholarships, fellowships, professorships or lecture series with restrictive clauses that could cause embarrassment to the college or that reserve to the donor or his/her representative the right to designate the recipient
 - 2. commit the college to permanently name a faculty, program or endowment fund that is revocable in any way
 - 3. require the future employment of any specified person
 - 4. are intended to be tuition payments for a family member or any other individual(s) specified by the donor
 - 5. are financially unsound or could expose the college to liability
 - 6. or are unacceptable for reasons explained under "declining gifts" on page 14 of

this document.

VIII. **CONCLUSION:**

As indicated in the introduction, the rules and regulations set forth in this document are intended to assist, guide and establish conduct for those persons associated with the college who are involved in the receipt of money or property of any kind intended as gifts to the college.

If questions should arise, consult with the vice president for college advancement or the vice president for finance and administration before acting.

This policy may be amended upon recommendation by the Advancement Committee of the Board of Trustees of Dickinson College and is subject to approval of the Board of Trustees.